

both an NP and program loan would affect only the program loan.

[58 FR 52646, Oct. 12, 1993, as amended at 61 FR 59778, Nov. 22, 1996]

#### **§ 1951.452 Policy.**

NP credit is extended for the convenience of the Government in servicing an existing loan or to facilitate sale of inventory property. Where a borrower has both program and NP loans outstanding, servicing will be according to the regulation applicable to the particular loan(s). NP borrowers are not eligible for program entitlements or servicing actions such as subsidy, moratorium, reamortization, rescheduling, consolidation, deferral, limited resource assistance, buyout, writedown and conservation easements. Neither are NP borrowers subject to occupancy/operation requirements, graduation or other similar requirements imposed on program borrowers. NP borrowers are required to adequately maintain the security, pay real estate taxes and/or assessments when due or make scheduled escrow installments for taxes and insurance when required by FmHA or its successor agency under Public Law 103-354, and keep buildings insured according to the promissory note and mortgage or security agreement, but may lease all or a portion of the security without FmHA or its successor agency under Public Law 103-354's consent, except as provided in § 1951.460 (a) and (b) of this subpart.

#### **§ 1951.453 [Reserved]**

#### **§ 1951.454 Review of adverse decisions.**

NP applicants and borrowers are not entitled to appeal rights under subpart B of part 1900 of this chapter or parts 11 and 780 of this title. However, decisions involving NP applicants, borrowers or property are reviewable by the next level supervisor.

[58 FR 52646, Oct. 12, 1993, as amended at 62 FR 10120, Mar. 5, 1997]

#### **§ 1951.455 NP loan making for Single Family Housing (SFH) and farm property (real and chattel).**

(a) *Application for NP credit.* Applications for credit on NP terms are made at the County Office serving the area where the property is located or

through an approved packager or real estate broker if so instructed by County Office personnel. To apply for NP credit, except Homestead Protection program, standard forms used to process program applications may be utilized or comparable documentation which contains information to establish financial stability, creditworthiness, and repayment ability for the requested credit. However, the loan approval official will have the discretion to determine what information is required to support approval of the loan. For property purchased under the Homestead Protection program the information required to support approval of the loan will be in accordance with subpart S of part 1951 of this chapter. The creditworthiness standards in § 1944.9 of subpart A of part 1944 of this chapter will be used to evaluate an NP applicant's eligibility for assistance to purchase a single family residence. The application is not complete until all information requested by the Agency is received.

(b) *Fees.* In addition, credit reports will be ordered to determine the eligibility of NP applicants requesting FLP credit. A nonrefundable credit report fee will be charged the applicant. The amounts of these fees change periodically; current fees will be quoted by county office personnel upon request. A borrower whose loan is reclassified as NP because unauthorized assistance was received; or only a portion of the security property is being transferred and the FLP debt is not paid in full; or FLP accounts rescheduled under an accelerated repayment agreement will not be required to submit an application or pay the application fee.

(c) *Eligibility restrictions.* If farm property is being purchased or the debt assumed, and an individual or member, stockholder, partner, or joint operator of a proposed entity transferee or purchaser has been convicted after December 23, 1985, under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance (see 21 CFR part 1308, which is exhibit C of subpart A of part 1941 of this chapter (available in any agency office), for the definition of "controlled substance") prior to the